

**REMARKS**

Claims 1-46 are pending in this application, all of which stand rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 5,715,403 to Stefik. For the reasons set forth below, applicant respectfully disagrees and traverses the grounds for rejection.

Initially, applicant notes that the December 20, 2004 Office Action is the third action in which the claims have been rejection as being anticipated by Stefik. Moreover, the December 20, 2004 Office Action does not appear to differ from the July 22, 2004 Office Action in any substantial way. The “response to arguments” sections of the July 22, 2004 and December 20, 2004 Office Actions appear to be essentially the same, except that the Examiner appears to construe one of applicants arguments slightly differently in the two actions (compare paragraph 6(a) of the present office action with paragraph 7(a) of the July 22, 2004 Office Action). The “response to arguments” section cites the same portions of Stefik as does the July 22, 2004 action, and the current office action appears primarily to repeat the same statements that were previously made, rather than responding to the points raised by applicant. There are some arguments, as noted below, that the Office Action does not address at all.

Applicant has set forth the arguments in additional detail below, and has demonstrated in such additional detail how the applied prior art cited fails to teach or suggest the features recited in the claims.

The following is a summary of the arguments raised by applicants, which relate to features raised in various claims:

- License specifies the terms on which a subsequent license, for a particular computing device, may issue
- Payment is a condition for licensing of content (as distinct from payment being a condition for the *usage* of content)
- License is revoked or made unusable as a condition for issuing another license
- Content and license are transmitted separately
- Content is licensable on two particular devices, but not on any other device

These features, and the claims to which they relate, are more specifically described below.

Licensing specifies the terms on which a subsequent license, for a particular computing device, may issue

Claims 1, 14, 15, 20, 28, and 38 recite features related to the notion that a license specifies the terms on which a subsequent license may issue. As to this feature, the Examiner has cited the abstract, col. 2, ll. 22-44, and col. 4, ll. 14-24 of Stefik. Applicants respectfully submit that Stefik. Applicants acknowledge that these cited portions of Stefik relate generally to the use of licenses to control the use of works, and to the notion that license rights may be attached to works. What the applied portions of Stefik do not teach or suggest, however, is that the license specifies the terms on which a subsequent license may issue, and that the subsequent license permits usage on a particular computing device. In the applied portions, the license specifies the terms governing the usage of content, not the terms on which the content may subsequently be licensed.

The Examiner has not addressed applicant's argument to the effect that these claims are about licenses that specify terms for subsequent *licensing* rather than licenses that specify the terms of use. Rather, the Examiner has asserted that the claimed features are taught in Stefik because

It is believed that Stefik discloses this limitation ... specifically wherein said [sic] the owner of a digital work to attach usage rights [sic] (usage rights or terms and conditions) to their work. The usage rights define how the individual digital work may be used and distributed. The usage transaction steps further check all conditions which must be satisfied before the rights may be exercised. The owner of a digital work to attach rights (attach right or digital license) to their work (or content package), and ensuring that licenses are in place for using licensed products (product or content package), and one or more terms or conditions ... specifically conditions to exercising the right or if license fees have not been paid.

Nowhere in this lengthy explanation is there any discussion of a license that specifies the terms on which another license may issue.

The following is a list of the specific claim language that relates to the feature discussed in this section. While these claims recite different language and have different scope, the following features call for licenses that contain terms governing the issuance of some other license, and that this other license will permit usage of the content on a particular

computing device. Moreover, applicant submits that the Examiner's reference to the general notion that works can be governed by rights does not meet the specific feature of license terms that govern the creation of other licenses:

**Claim 1:** "wherein the first license specifies one or more terms governing the relicensing of the first content package; and licensing the first content package for use on the first computing device in accordance with said one or more terms";

**Claim 14:** "a term in the first license which specifies one or more conditions governing licensure of the content package on the second computing device";

**Claim 15:** "a first license that ... contains: a first term permitting licensure of the digital content item for use on a second computing device different from said first computing device";

**Claim 20:** "creating a first digital license which contains terms comprising: a first term which permits the use of said digital content item on a first computing device; and a second term which permits, under one or more conditions, the creation of a second digital license that permits use of said digital content item on a second computing device different from said first computing device";

**Claim 28:** "a first digital license that comprises: a first term permitting the usage of the digital content item on a first computing device; and a second term permitting the creation of a second digital license which permits the usage of the digital content item on a second computing device different from said first computing device, and which specifies one or more conditions governing the creation of said second digital license";

**Claim 38:** "a first license having a plurality of terms, wherein the plurality of terms includes: ... a second term which permits the creation of a second license according to one or more conditions, said second license permitting rendering of said digital content item on a second computing device".

The portion of Stefik applied in the Examiner's response addresses only the general notion that works can be governed by rights, not the more specific feature of licenses whose terms govern or control the creation or issuance of other licenses. Nor does the applied portion discuss the creation of licenses, based on the specified terms, that will permit usage of content on a particular computing device. For these reasons, applicants respectfully submit that the claims discussed above patentable define over the applied teachings from Stefik.

**Payment is a condition for licensing of content (as distinct from payment being a condition for the usage of content)**

Claim 4, 22, 23, 32, 44, and 45 each recite features related to the notion that payment is a condition for usage of content. Claim 18 calls for payment to be collected in connection with the licensure of content (while claim 18 does not recite the “condition” language, it should be noted that claim 18 calls for payment in connection with the *licensure* of content, rather than in connection with the *usage* of content).

The portion of Stefik applied to these feature (col. 2, ll. 21-44) generally describes the idea that access to a licensed product can be terminated if access fees have not been paid. Applicant do not dispute that the applied portion of Stefik mentions a licensed products whose usage can be conditioned on payment. However, usage of a product is different from licensure of a product. The applied portion of Stefik may condition *usage* on payment, but does not condition *licensing* on payment. Thus, in the applied portion of Stefik, it appears that payment is a condition for continued usage of a licensed product; by contrast, in the above listed claims, the payment must be made as a condition to issuing a license at all. Both of these techniques may ultimately control the use of content and enforce the collection of payments; however, the claimed technique for doing this is different from the one shown in the applied portion of the prior art.

Claims 4, 22, 23, 32, 44, and 45 each call (either directly, or by virtue of dependency) for payment as a condition to creating a license. Claim 18 calls for providing a payment in connection with licensure of content. The applied portion of Stefik, at best, describes the idea that access to licensed content can be terminated if payment is not made. These ideas are related to the idea of making the issuance of a license conditional upon payment, but are not the same as that idea. It is possible to enforce the requirement to pay for licensed content without making the issuance of the license itself conditional upon payment. The applied portion of Stefik describes the fact that a payment requirement can be enforced, but does not teach the specific way of doing so – i.e., making issuance of the license conditional upon payment, or providing a payment in connection with licensure – variously recited in the above-listed claims. Therefore, the applied portion of Stefik does not teach or suggest the features of claims 4, 18, 22, 23, 32, 44, and 45.

**License revoked or made unusable as a condition for issuing another license**

Claims 6, 19, 24, 33, and 46 each recite features that relate to a license being revoked or made unusable as a condition for issuing another license. As to these features, the Examiner has cited Stefik, Fig. 1, col. 7, ll. 16-48, and col. 2, ll. 21-44. These portions generally describe the idea that content can be subject to a license, and that a repository can either grant, or fail to grant, access to a digital work depending on whether a requested right is attached to the work. However, there is no discussion about a license being revoked (claims 19, 24, 33, and 46) or made unusable (claim 6). Nothing in the applied portion of Stefik describes a license that becomes revoked. Nothing in the applied portion of Stefik describes a license being made unusable.

Thus, applicant respectfully submits that Stefik as applied does not teach or suggest the features of the above-listed claims.

**Content and license are transmitted separately**

Claim 8 recites features that, when taken together, imply that the license and content are transmitted separately. The Examiner has not addressed this issue at all in the “response to arguments” section. Stefik generally describes a system where rights and works travel together, not separately (See Stefik, col. 6, ll. 62-63.) The Examiner has not cited or applied to claim 8 any portion of Stefik where rights and works can travel separately. Thus, applicant respectfully submits that Stefik as applied does not teach or suggest the features of claim 8.

**Content is licensable on two particular devices, but not on any other device**

Claim 37, taken together with its base claim, recites that a content item is licenseable on two devices, but not on a third device. In other words the content is licensable only on the first and second devices recited. The Examiner has not addressed this feature. The portions of Stefik noted in connection with claim 37 (col. 7, ll. 16-48, figs. 1 & 2, col. 8, ll. 1-32) do not discuss content that is licensable on first and second devices but not on a third device. Thus, applicants respectfully submit that Stefik as applied does not teach or suggest the features of claim 37.

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**PATENT**

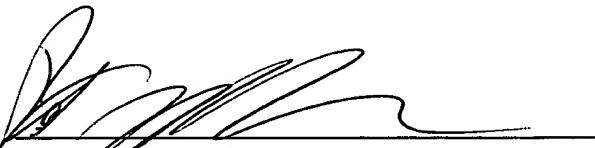
**Drawings**

The Examiner has not indicated whether the formal drawings filed with this application are acceptable. Applicant requests that the Examiner indicate in the next Office Action whether the drawings are acceptable.

**Conclusion**

With respect to the claims discussed above, applicants have described in detail how these claims differ from the applied prior art. In view of these differences, applicants respectfully submit that the discussed claims have been shown to be patentable over the prior art, and the remaining claims are patentable at least by reason of their dependency. For the foregoing reasons, applicants respectfully request reconsideration of the Office Action, and submit that this case is in condition for allowance.

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